

Choice Capital Advisors Private Limited



Annual Report 2018-2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **CHOICE CAPITAL ADVISORS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Choice Capital Advisors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates

made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations which can have any impact on its financial position in its financial statements to the financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A S B S & CO
Chartered Accountants
ICAI Firm Registration Number: 135952W



per Sushil Goyal
Partner

Membership Number: 154193
Place of Signature: Mumbai
Date: May 23th, 2019

**ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON
THE FINANCIALS STATEMENTS OF CHOICE CAPITAL ADVISORS PRIVATE
LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to size of the Company and nature of its assets. No material discrepancies were identified on such verification.
- (ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company..
- (iii) (a) The Company has granted loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan are not prejudicial to the Company's interest.
- (b) The Company has granted loans that are re-payable on demand, to a Company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the Company has not demanded repayment of any such loan and interest during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.
- (c) There is no amount of loans granted to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon.

In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.



- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments except term loans. The Company is regular in repayment of its Term Loan Instalment and Interest as per the bank schedule.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For A S B S & CO
Chartered Accountants
ICAI Firm Registration Number: 135952W



per Sushil Goyal
Partner

Membership Number: 154193
Place of Signature: Mumbai
Date: May 23, 2019

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF CHOICE CAPITAL ADVISORS
PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section
3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Choice Capital Advisors Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A S B S & CO
Chartered Accountants
ICAI Firm Registration Number: 135952W



per Sushil Goyal
Partner

Membership Number: 154193
Place of Signature: Mumbai
Date: May 23th, 2019

Choice Capital Advisors Private Limited

Balance Sheet

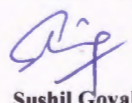
(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2	50,500,000	50,500,000
(b) Reserves and Surplus	3	26,090,198	24,938,157
		76,590,198	75,438,157
2. Non - Current Liabilities			
(a) Long -Term Borrowings	4	20,141,782	22,053,093
(b) Deferred Tax Liabilities (Net)	5	1,632,000	1,318,676
(c) Long - Term Provisions	6	618,987	614,621
		22,392,769	23,986,390
3. Current Liabilities			
(a) Short - Term Borrowings	7	8,238,645	-
(b) Trade Payables	8		
(i) Dues to Micro, Small and Medium Enterprises		-	-
(ii) Other than Micro, Small and Medium Enterprises		1,476,581	2,495,159
(c) Other Current Liabilities	9	6,789,523	8,825,901
(d) Short - Term Provisions	10	215,586	33,606
		16,720,335	11,354,666
TOTAL		115,703,301	110,779,213
II Assets			
1. Non - Current Assets			
(a) Property, Plant & Equipment	11		
(i) Tangible Assets		29,216,544	30,605,883
(ii) Intangible Assets		136,469	190,293
(iii) Intangible Assets under development		-	953,872
(b) Non - Current Investments	12	50,096,906	50,096,906
(c) Long - Term Loans and Advances	13	463,380	463,380
		79,913,299	82,310,334
2. Current Assets			
(a) Trade Receivables	14	27,766,250	2,388,840
(b) Cash & Bank Balances	15	232,201	8,168,144
(c) Short - Term Loans and Advances	16	7,791,551	17,911,895
		35,790,002	28,468,879
TOTAL		115,703,301	110,779,213

The accompanying notes are an integral part of the financial statements

Significant Accounting Policies 1
Notes forming part of financial statements 2-23

In terms of our report of even date
For ASBS & Co.
Chartered Accountants
F.R.No. : 135952W


Sushil Goyal
Partner
Mem. No. :154193
Mumbai, May 23, 2019

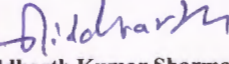


For and on behalf of Board of Directors


Kamal Poddar
Director
DIN :- 01518700

Mumbai
May 23, 2019


Ratiraj Tibrewal
Director
DIN :- 06627879


Siddharth Kumar Sharma
Company Secretary



Choice Capital Advisors Private Limited

Statement of Profit and Loss

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from Operations	17	35,802,941	62,694,714
II Other Income	18	1,979,366	1,900,198
III Total Revenue (I + II)		37,782,307	64,594,912
IV Expenses			
Employee Benefits Expense	19	20,798,097	18,874,640
Finance Costs	20	2,928,192	2,619,101
Depreciation & Amortisation	11	1,484,051	1,666,508
Other Expense	21	11,106,602	34,082,164
Total Expense		36,316,942	57,242,413
V Profit Before Tax (III-IV)		1,465,365	7,352,499
VI Tax Expense:			
(a) Current Tax Expense		89,540	1,210,470
(b) Earlier Year Tax		-	(518)
(c) MAT		(89,540)	(950,760)
(b) Deferred Tax		313,324	289,755
		313,324	548,947
VII Profit/(Loss) for the Period (V-VI)		1,152,041	6,803,552
VIII Earnings Per Equity Share (Face Value ₹ 10 Per Share):	22		
(1) Basic (₹)		0.23	1.35
(2) Diluted (₹)		0.23	1.35

The accompanying notes are an integral part of the financial statements

Significant Accounting Policies 1
Notes forming part to financial Statements 2-23

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W

Sushil Goyal

Partner

Mem. No. :154193

Mumbai, May 23, 2019



For and on behalf of Board of Directors

Kamal Poddar

Director

DIN :- 01518700

Mumbai

May 23, 2019



Ratiraj Tibrewal

Director

DIN :- 06627879

Siddharth Kumar Sharma

Company Secretary

Choice Capital Advisors Private Limited

Cash Flow Statement for the year ended March 31, 2019

Particulars	As at 31-Mar-19	As at 31-Mar-18
A. Cash flow from Operating Activities		
Net profit before extra-ordinary items and tax	1,465,365	7,352,499
<u>Adjustments for:</u>		
Depreciation & amortisation expenses	1,484,051	1,666,508
Interest income	(970,141)	(900,198)
Dividend Income	(1,000,000)	(1,000,000)
Provision for gratuity	186,346	(2,277)
Balance written off	953,872	-
<i>Operating profit before Working Capital changes</i>	2,119,493	7,116,532
<u>Changes in Working Capital</u>		
- Trade receivables	(25,377,410)	2,352,460
- Other Current Assets	-	1,000,000
- Short term advances	4,350,424	4,387,884
- Trade payables & other current liabilities	(3,054,956)	4,167,037
<u>Cash generated from operations</u>	(21,962,449)	19,023,914
- Income Tax Paid	-	(259,192)
-Gratuity paid	-	(115,269)
Net cash flow from/(used in) from Operating Activities	(21,962,449)	18,649,453
B. Cash flow from Investing Activities		
Purchase of Property, Plant & Equipment	(40,888)	(23,093)
Movement in loans & advances	5,769,920	(5,769,920)
Dividend Received	1,000,000	1,000,000
Interest received	970,141	900,198
Net cash flow from/(used in) Investing Activities	7,699,173	(3,892,815)
C. Cash flow from Financing Activities		
Money borrowed from financial institutions	(1,911,312)	(2,020,658)
Money borrowed/(repaid) from others	8,238,645	(4,697,363)
Net cash flow from/(used in) Financing Activities	6,327,334	(6,718,021)
 <i>Net increase/(decrease) in Cash and Cash Equivalents</i>	 (7,935,943)	 8,038,617
 <i>Opening Cash and Cash Equivalents</i>	 8,168,144	 129,527
 <i>Closing Cash and Cash Equivalents</i>	 232,201	 8,168,144

In terms of our report of even date
For ASBS & Co.
Chartered Accountants
F.R.No. : 135952W

Sushil Goyal
Partner

Mem. No. :154193

Mumbai ,May 23, 2019



For and on behalf of Board of Directors

Kamal Poddar
Director
DIN :- 01518700

Mumbai
May 23,2019



Ratiraj Tibrewal
Director
DIN :- 06627879

Siddharth Kumar Sharma
Company Secretary

Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared in compliance with all material aspects of the accounting standards notified under section 133 and the other relevant provisions of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Act.

B Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

D Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. For the purpose of Cash Flow Statement, cash and cash equivalents includes fixed deposits which are freely remissible but excludes interest accrued on fixed deposits.



E Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of computer softwares which are amortised over a period of five years in accordance with the Accounting Standard 26 "Accounting for Intangible Assets". Depreciation on addition to Property, Plant & Equipment is provided on a pro-rata basis from the date of addition.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

F Revenue recognition

Revenue and cost are generally accounted on accrual basis as they are earned/incurred, except in case significant uncertainties.

Fees are recognised when reasonable right of recovery is established and the revenue can be reliably measured and on accrual basis. the performance of services is measured under the proportionate completion method which relates the revenue to the work accomplished.

Interest and other income is accounted on accrual basis.

Revenue figures excludes tax component.

Dividend is accounted when the right to receive payment is established.

G Property, Plant & Equipment

Tangible assets

Property, Plant & Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant & Equipment includes interest on borrowings attributable to acquisition of qualifying Property, Plant & Equipment up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.



H GST input credit

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credit.

I Investments

Investments are valued in accordance with accounting standard 13 on "Accounting for investments". Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

J Employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salary, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

Provident Fund

The Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity

The company has a defined benefit plan viz. gratuity, for all its employees which is unfunded. Liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using the Projected Unit Credit Method. Actuarial gains / losses, which comprise experience adjustment and the effect of changes in actuarial assumptions, are recognised in the statement of profit and loss.



K Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

L Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.



M Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

N Provision and Contingencies

A provision is recognised when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets" is made.



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18

2 SHARE CAPITAL

(a) Details of authorised, issued and subscribed share capital

Authorised Capital		
5,100,000 (PY 5,100,000) Equity Shares of ₹ 10/- each	51,000,000	51,000,000
Issued Capital		
5,050,000 (PY 5,050,000) Equity Shares of ₹ 10/- each	50,500,000	50,500,000
Subscribed and Paid up Capital		
5,050,000 (PY 5,050,000) Equity Shares of ₹ 10/- each fully paid-up	50,500,000	50,500,000
	50,500,000	50,500,000

Rights, preferences and restrictions attached to each class of shares -

The company has only one class of share capital, i.e. equity shares having face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

No. of shares at the beginning of the year	5,050,000	5,050,000
Add : shares issued during the year	-	-
No. of shares at the end of the year	5,050,000	5,050,000

(c) Shareholders holding more than 5% of equity shares as at the end of the year

Choice International Ltd.	Holding Company	5,050,000	5,050,000
and its nominee		100.00%	100.00%

3 RESERVES AND SURPLUS

General reserve -		
Opening Balance	555,000	555,000
Add : transfer from surplus in statement of profit & loss	-	-
Closing Balance	555,000	555,000
Surplus in Statement of Profit and Loss -		
Opening Balance	24,383,157	17,579,605
Add : profit/(loss) for the year	1,152,041	6,803,552
Closing Balance	25,535,198	24,383,157
	26,090,198	24,938,157



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18

4 LONG TERM BORROWINGS

Secured loans

Term Loan from Banks*	22,053,093	23,776,935
Less- Current portion of long term borrowings	1,911,312	1,723,842
	<u>20,141,782</u>	<u>22,053,093</u>
	<u>20,141,782</u>	<u>22,053,093</u>

*The outstanding amount of loan of ₹ 1295022/-(PY-₹ 1889046) was taken from ICICI Bank and is secured by way of first charge on Vehicle at Mumbai. The loan is repayable in monthly principal instalments and interest, ending in February ,2021.

*The outstanding amount of loan of ₹ 20758071/-(PY -₹ 21887889) was taken from ICICI Bank and is secured by way of first charge on Office Premises at Delhi. The loan is repayable in monthly principal instalments and interest, ending in May ,2030.

5 DEFERRED TAX LIABILITIES (NET)

The major component of deferred tax liabilities/seets as recognized in the financial statements is as follows:

Deferred tax liability -

On difference between book balance & tax balance of Property, Plant & Equipment	1,849,000	1,487,215
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Deferred tax asset -

Provision for employee benefit expenses	(217,000)	(168,539)
	<u>1,632,000</u>	<u>1,318,676</u>

6 LONG-TERM PROVISIONS

Provision for employee benefits:

Provision for Gratuity	618,987	614,621
	<u>618,987</u>	<u>614,621</u>

7 SHORT TERM BORROWINGS

Secured loans

Overdraft form Bank*	8,238,645	-
	<u>8,238,645</u>	<u>-</u>

* The overdraft facility taken from Axis bank is secured primarily by way of hypothecation of current assets.



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

11 Property, Plant & Equipment

(Amount in ₹)

Description	Gross Block				Depreciation & Amortisation				Net Block	
	As at April 1, 2018	Additions	Deductions / Adjustments	As at March 31, 2019	As at April 1, 2018	Charged For the period	Deductions / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Tangible Assets:										
Computer Hardwares	4,052,505	40,888	-	4,093,393	3,793,889	217,160	-	4,011,049	82,344	258,616
Vehicle	6,439,596			6,439,596	1,968,240	767,040		2,735,280	3,704,316	4,471,356
Office Equipments	38,625		-	38,625	17,800	6,418		24,218	14,407	20,825
Office Premises	26,984,744		-	26,984,744	1,218,566	427,259		1,645,825	25,338,919	25,766,178
Furniture & Fixtures	130,000	-	-	130,000	41,092	12,350	-	53,442	76,558	88,908
TOTAL -	37,645,470	40,888	-	37,686,358	7,039,587	1,430,227	-	8,469,814	29,216,544	30,605,883
Intangible Assets:				-				-	-	-
Computer Softwares	1,391,383		-	1,391,383	1,201,090	53,824	-	1,254,914	136,469	190,293
TOTAL -	1,391,383	-	-	1,391,383	1,201,090	53,824	-	1,254,914	136,469	190,293
Intangible Assets under development	953,872		953,872	-	-	-	-	-	-	953,872
GRAND TOTAL	39,990,725	40,888	953,872	39,077,741	8,240,677	1,484,051	-	9,724,728	29,353,013	31,750,048
Previous Year	39,967,632	23,093	-	39,990,725	6,574,169	1,666,508	-	8,240,677	31,750,048	8,217,584



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18

8 TRADE PAYABLES

Dues to Micro, Small and Medium Enterprises	-	-
Other than Micro, Small and Medium Enterprises	1,476,581	2,495,159
	<u>1,476,581</u>	<u>2,495,159</u>

9 OTHER CURRENT LIABILITIES

Current portion of long term borrowings	1,911,312	1,723,842
Advances from customers	-	51,100
Statutory dues	4,397,829	7,022,455
Other liabilities	480,382	28,504
	<u>6,789,523</u>	<u>8,825,901</u>

10 SHORT TERM PROVISIONS

Provision for Employee Benefits:		
Provision for Gratuity	215,586	33,606
	<u>215,586</u>	<u>33,606</u>

12 NON-CURRENT INVESTMENTS

Other investments in quoted equity shares fully paid-up		
1,000,000 (PY - 1,000,000) shares of ₹10/- each of The Byke Hospitality Limited	50,096,906	50,096,906
	<u>50,096,906</u>	<u>50,096,906</u>
 Aggregate book value of -		
Quoted fully paid-up investments	50,096,906	50,096,906
 Aggregate market value of -		
Quoted fully paid-up investments	28,050,000	167,750,000



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18

13 LONG-TERM LOANS AND ADVANCES

Unsecured, considered good		
Security deposits	463,380	463,380
	<u>463,380</u>	<u>463,380</u>

14 TRADE RECEIVABLES

Unsecured, considered good		
Outstanding for a period exceeding six months from due date	2,177,040	532,000
Others	25,589,210	1,856,840
	<u>27,766,250</u>	<u>2,388,840</u>

15 CASH AND BANK BALANCES

Cash & Cash Equivalents		
Cash on Hand	14,999	37,655
Bank Balances -		
In current accounts	217,202	8,130,489
	<u>232,201</u>	<u>8,168,144</u>

16 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Loans & advances to related parties*	-	5,769,920
Loans and Advances to employees	90,943	54,360
Advances to vendors	10,657	2,024
Prepaid Expenses	173,296	625,851
Mat Credit Entitlement	1,040,300	950,760
Balance with statutory/revenue authorities		
Direct Taxes	6,476,355	10,238,980
Indirect Taxes	-	270,000
	<u>7,791,551</u>	<u>17,911,895</u>

*The advance given to related parties are repayable on demand, refer to Note No.23(E) "Related Party Disclosure".

17 REVENUE FROM OPERATIONS

Income From Services Rendered	35,802,941	62,694,714
	<u>35,802,941</u>	<u>62,694,714</u>



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18
18 OTHER INCOME		
Dividend Income	1,000,000	1,000,000
Interest income	970,141	900,198
Profit on sale of mutual funds	9,225	-
	<u>1,979,366</u>	<u>1,900,198</u>
19 EMPLOYEE BENEFIT EXPENSES		
Salaries and incentives	20,246,083	18,648,319
Gratuity	254,943	(43,780)
Staff welfare expenses	181,479	189,244
Contribution to provident fund & charges	115,592	80,857
	<u>20,798,097</u>	<u>18,874,640</u>
20 FINANCE COSTS		
Interest Expenses on:-		
-Bank overdraft	456,274	64,929
-Term loans	2,471,918	2,554,172
	<u>2,928,192</u>	<u>2,619,101</u>
21 OTHER EXPENSES		
Bank charges	71,777	59,938
Bad Debts written off	57,500	-
Sundry Balance written off	953,872	-
Business Promotion	223,466	344,398
Membership & Subscription Charges	55,500	62,083
Travelling & Conveyance Expenses	2,041,517	4,036,417
Rent including lease rentals	4,980,000	4,980,000
Business Support Charges	835,700	3,969,800
Legal and professional fees	1,652,192	15,648,537
Referral Fees	-	4,620,000
Communication expenses	12,293	103,448
Rates & taxes	36,263	51,212
Misc Exp	135,521	156,330
Payment to auditors -		
Statutory audit fees	25,000	25,000
Tax audit fees	25,000	25,000
Other Certification fees	1,000	-
	<u>11,106,602</u>	<u>34,082,164</u>



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements

Particulars	(Amount in ₹)	
	As at 31-Mar-19	As at 31-Mar-18

22 EARNINGS PER EQUITY SHARE

Profit/(Loss) attributable to Equity shareholders	1,152,041	6,803,552
Weighted average number of equity shares	5,050,000	5,050,000
Basic Earnings Per Share	0.23	1.35
Face value per Share	10	10
Profit after adjusting interest on potential equity shares	1,152,041	6,803,552
Weighted average number of equity share after considering potential equity shares	5,050,000	5,050,000
Dilutive Earnings per Share	0.23	1.35



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 23 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

A In the opinion of the Board, all the assets other than Property, Plant & Equipment and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The Provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

B Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

C Employee benefits -

The Company has classified the various benefits provided to employees as under:

1. Defined Contribution Plan

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	As on 31.03.2019	As on 31.03.2018
Employers' Contribution to Provident Fund	115,592	80,857
Total	115,592	80,857

2. Defined Benfit Plan

The Company offers the Gratuity as employee benefit schemes to its employees. Following table sets out status of the Gratuity and the amount recognised in the financial statements:

Particulars	(Amount in ₹)	
	As on 31.03.2019	As on 31.03.2018
Components of employer expense		
Current service cost	216,490	354,873
Interest on obligation	51,550	55,082
Expected return on plan assets	-	-
Recognised past service cost vested	12,684	63,603
Net Actuarial losses/(gains)	(25,781)	(517,338)
Total expense recognised in the Statement of Profit and Loss	254,943	(43,780)

Net asset / (liability) recognised in the Balance Sheet		
	As on 31.03.2019	As on 31.03.2018
Present value of unfunded obligation	-	686,279
Present value of funded obligation	933,157	-
Fair value of plan assets	(73,216)	(38,051)
Unrecognised past service costs	(25,367)	
Net asset / (liability) recognised in the Balance Sheet	834,574	648,228



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Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 23 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

Change in fair value of defined benefits obligation representing reconciliation of the the opening and closing balances thereof are as follows:	As on 31.03.2019	As on 31.03.2018
Opening Defined Benefit Obligation	686,277	765,773
Net transfer out Obligation	9,399	41,503
Current Service cost	216,490	354,873
Interest cost	51,550	55,082
Actuarial (gain) /loss	(30,561)	(517,338)
Past Service costs	-	101,654
Benefits paid	-	(115,269)
Closing Defined Benefit Obligation	933,155	686,277

Reconciliation of plan assets	As on 31.03.2019	As on 31.03.2018
Actuarial gain/(loss)	(4,780)	-
Contribution by employer	77,996	-
Benefits paid	-	-
Closing value of plan assets	73,216	-

Reconciliation of net defined benefit liability	As on 31.03.2019	As on 31.03.2018
Net opening provision in books of accounts	648,228	765,773
Net transfer out Obligation	9,399	41,503
Employee Benefit expenses	254,943	(43,780)
Benefits paid by the company	-	(115,269)
Contribution to plan assets	(77,996)	-
Closing provision in books of accounts	834,574	648,228

As at March						
Experience Adjustments	2019	2018	2017	2016	2015	2014
Experience adjustments on plan liabilities	(36,420)	(488,927)	(313,727)	(397,653)	(19,281)	124,314
Actuarial loss/(gain) due to change in demographic assumptions	-	-	-	-	-	-
Actuarial loss/(gain) due to change in financial assumptions	5,859	(28,411)	49,253	92,958	(7,737)	(79,964)
Experience adjustments on plan assets	4,780	-	-	-	-	-
Net Actuarial loss/(gain) for the year	(25,781)	(517,338)	(264,474)	(304,695)	(27,018)	44,350

Actuarial assumptions	As on 31.03.2018	As on 31.03.2018
Discount rate	7.65% p.a.	7.70% p.a.
Expected return on plan assets	7.65% p.a.	Not Applicable
Salary escalation	6.00% p.a.	6.00% p.a.
Withdrawal Rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

Note:-The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 23 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

D Expenditure in Foreign Currency

Particulars	As on 31.03.2019	As on 31.03.2018
Foreign Travelling	209,261	83,996
Total	209,261	83,996

E Related Party Disclosure

Description of Relationship	Names of Related Parties
a. Holding Company	Choice International Limited
b. Fellow Subsidiaries	Choice Consultancy Services Private Limited Choice Merchandise Broking Private Limited Choice Portfolio Management Services Private Limited Choice Equity Broking Private Limited Choice Wealth Management Private Limited Choice Corporate Services Private Limited Choice Peers International Private Limited Choice Finserv Private Limited Choice Tech Lab Solutions Private Limited Choice Retail Solutions Private Limited
c. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Director) Ratiraj Tibrewal (Director wef. 22.02.19) Vikas Kumar Agarwal (Director up to 22.02.2019) Gunjan Agarwal (Wife of Director up to 22.02.19) Siddharth Kumar Sharma (Company Secretary)
d. Enterprises over which KMP have significant influence	Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L VSC Consulting Private JV with Choice Consultancy Services Private Limited Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd Samank Consumer Products Private Limited Samank Apperals Private Limited Choice Insurance Broking India Private Limited Farmer's Evolvment Foundation The Byke Hospitalty Limited Rupang Properties Private Limited Credo Strategic Advisors LLP Eustoma Advisors Private Limited (up to 22.02.2019) Eustoma Investments Advisors LLP (up to 22.02.2019) Tibrewal Chand & Co. (wef. 22.02.2019) Choice Strategic Advisors LLP Lions Mumbai Choice Foundation



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 23 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of Related Party transactions -

(Amount in ₹)

Particulars	Holding Company	Fellow Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) are able to exercise significant influence	Total
Loans & Advances taken from	6,830,080 (16,000,000)	- -	- -	- -	- -	6,830,080 (16,000,000)
Loans & advances repaid to	6,830,080 (16,000,000)	- -	- -	- -	- -	6,830,080 (16,000,000)
Loans & advances given to	3,600,000 (6,300,000)	18,813,605 -	- -	- -	- -	22,413,605 (6,300,000)
Loans & advances repayment recd from	9,369,920 (530,080)	18,813,605 -	- -	- -	- -	28,183,525 (530,080)
Revenue from Operations	- -	500,000 -	- -	- -	20,300,000 -	20,800,000 -
Interest on Loan	- -	570,673 -	- -	- -	- -	570,673 -
Referral Fees paid	- -	- (4,620,000)	- -	- -	- -	- (4,620,000)
Rent including lease rentals	4,980,000 (4,980,000)	- -	- -	- -	- -	4,980,000 (4,980,000)
Business Support Charges	835,700 (3,969,800)	- -	- -	- -	- -	835,700 (3,969,800)
Salary and perquisites	- -	- -	6,071,663 (3,856,518)	1,200,000 1,170,000	- -	7,271,663 (2,686,518)
Legal & Professional Charges	- -	- -	- -	- -	7500 -	7,500 -
Dividend received	- -	- -	- -	- -	1,000,000 (1,000,000)	1,000,000 (1,000,000)



Choice Capital Advisors Private Limited

Accompanying notes to the financial statements as at March 31, 2019

NOTE 23 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

Balances outstanding at the end of the year						
Trade Receivables	-	-	-	-	24,200,000	24,200,000
	-	-	-	-	-	-
Short Term Loans & Advances	-	9,399	-	-	-	9,399
	(5,769,920)	-	-	-	-	(5,769,920)
Trade Payable	141,752	-	274,741	83,887	8,850	509,230
	(1,151,534)	-	(286,294)	(71,700)	-	(1,509,528)
Other current liabilities	-	-	-	-	-	-
	-	(28,504)	-	-	-	(28,504)

* Previous year figures are in brackets

In terms of our report of even date
For ASBS & Co.
Chartered Accountants
F.R.No. : 135952W


Sushil Goyal
 Partner

Mem. No. :154193

Mumbai ,May 23, 2019



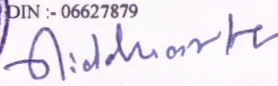
For and on behalf of Board of Directors


Kamal Poddar
 Director
 DIN :- 01518700

Mumbai
 May 23,2019




Ratiraj Tibrewal
 Director
 DIN :- 06627879


Siddharth Kumar Sharma
 Company Secretary